

## Economic Principles and Social Practice

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*Certain economic principles, maintained as true by those who held them, have been refuted by the inexorable logic of facts; the principles of Catholic social reformers are being forced upon the acceptance of people by the course of events. A well known economic writer demonstrates this fact in his paper reprinted from the Clergy Review, July, 1931.*

IT is hardly necessary to recall that in the second half of the eighteenth century there began that change in economic and industrial methods which has been called "The Industrial Revolution." It began in England and spread to other countries only after a considerable lapse of time. Inventions of various kinds vastly increased the productive powers of England, and the Factory System sprang up to exploit them to the utmost. Unfortunately it was not merely the inventions that were exploited, but the inventors too, and the workers who had to make use of the inventions in the factories of the capitalists. The story of the employment of women and young children in the coal-mines and the factories, the tragedy of their long agony, is a familiar one, though its familiarity does not deaden the feeling of horror with which every decent person must regard it. As one reads it, one is driven to ask, how did the governing class in England tolerate it so long as it did? How did our rulers soothe their consciences? The answer is, by the principles of what was then called the New Political Economy.

This New Political Economy was the system which we now associate with the names of Adam Smith, Ricardo, Malthus and others of what is sometimes known as the Classical School of Economics. On the Continent, it is usually called the Liberal School, from the fact that its main insistence was on liberty. This school may be said to have

begun with the Physiocrats, a name taken from the title of a collection of the writings of the French doctor, Quesnay, which was published in 1765 by Dupont de Nemours and called *Physiocratie*. Quesnay had a large number of followers in France, and considerable influence on Adam Smith, who has been called the father of political economy in Great Britain. The Physiocrats were the children of their time and its philosophy. Disciples of the skeptic Voltaire and the visionary Rousseau, they accepted the dangerous principle that man, being essentially good, has only to follow the tendencies of his nature to arrive at happiness, and happiness on their lips meant the pleasures of this life and the satisfaction of the senses. If his bodily needs are gratified, he will be happy, and the function of economic life is to satisfy those needs to the utmost. Consequently they stressed the necessity of production of the greatest possible amount of material goods. The first thing required to secure this maximum of production was that the State should keep its hands off industry, and this they expressed in the well-known phrase, *Laissez-faire*. The State, they held, should confine itself to protecting the freedom of its citizens to make what contracts they pleased. The motive of self-interest, being left free play, would in their opinion secure the maximum welfare of society.

Thus were laid the foundations of that system of "natural liberty" which, defended by eminent economists in Great Britain after Adam Smith had lent it the weight of his authority in *The Wealth of Nations*, was eagerly adopted by the governing class and the employers with disastrous consequences to the workers and the poor. Adam Smith was more humane than his successors, and it may be true that his successors were more humane than the practical men of affairs who learned from them; but the net result to Great Britain was that wealth in the narrowest sense increased while the welfare of a large section of the population rapidly diminished.

Though there is no economist today who would be prepared to defend the system of natural liberty, there are many people who consciously or unconsciously believe in it. It is therefore worth while considering its main principles as generally accepted in its heyday. It maintained that the production of material goods should be relentlessly de-

veloped, and that this production is best secured when men are left to the free play of the motive of self-interest, each seeking his own individual good in the way that seems best to him. All laws and regulations tending to interfere with men's industrial and commercial freedom can do nothing but harm, and should be repealed as soon as possible. The world of industry and commerce would then be left to the free play of natural economic laws, and these would secure that the best results were obtained. Free competition between employers for markets would result in the survival of the fittest and in the lowest possible price being charged to the consumers. Free competition between workers for employment would result in stimulating their industry and hence their output, with the result of increasing the national wealth.

One could find a good deal to criticize in this theory, even apart from its practical results. Its assumption that natural economic laws will secure that the general welfare is best obtained when everyone seeks his own self-interest; its idea that those employers who survive competition are not merely the fittest to compete but the fittest from the point of view of national production; its omission to take into account the distribution of the wealth produced; all these and other points have been often discussed and their fallacy revealed.

But we are more concerned to consider the effect of these economic principles on the practice of the times. We need not pause to speculate about what effect they would have had if all the faint qualifications of Smith, Ricardo and Malthus had been as eagerly adopted by the governing class as was the general idea of their system, for in point of fact they were left out of account. The lesson which the economists were thought to have taught was that the industrialists must be given a free hand to do their best for themselves, and that any interference by the State would be harmful to national prosperity and useless to protect the workers. When at the end of the eighteenth century Pitt was asked to enforce the old statutes providing for the regulation of wages, he replied that "trade, industry and barter would always find their own level, and be impeded by regulations which violated their natural operation and deranged their proper effect." Even Burke, in 1795, argued that the

farmer, in his own interest, would see that "the laborer is well fed, and otherwise found with such necessities of animal life as may keep the body in full force and the mind gay and cheerful." The Society for the Diffusion of Useful Knowledge (the chairman was Brougham) urged the workers in 1831 "when there is too much labor in the market and wages are too low, do not combine to raise wages; but go out of the market. Leave the relations between wages and labor to equalize themselves. You can never be permanently kept down in wages by the profits of capital; for if the profits of capital are too high, the competition of other capital immediately comes in to set the matter right." When attempts were made, early in the nineteenth century, to pass legislation to forbid the use of children as chimney-sweeps, the House of Lords rejected it, and Lord Lauderdale argued that the matter should be left entirely "to the moral feelings of perhaps the most moral people on the face of the earth"; and when a new Bill was introduced to forbid the use of boys under ten or of girls, he said: "If the legislature attempted to lay down a moral code for the people, there was always a danger that every feeling of benevolence would be extirpated," and the Bill was rejected by the House of Lords.

Very soon the idea that interference with conditions of labor, especially wages, could not take place without doing as much injury to the workers as to industry at large hardened, under the influence of the Wage Fund theory, and the teachings of Malthus, into the belief that poverty and misery are inevitable, and that it is quite impossible to raise the general level of wages. To quote a writer who cannot be suspected of any desire to blacken the reputation of capitalism:

People were up against the so-called law of the wages-fund which seemed to say that capital at any time was fixed in amount, that labor's share of that capital was automatically fixed, and that any gain by one class must be at the expense of another class. It would therefore be clearly unfair for the government to help one class of workers at the expense of another. Moreover, people believed that there was a law of population, the discovery of which was ascribed to Malthus, by which any rise in the standard of comfort would result in earlier marriages and in more children being born. These, it was held, would compete in their turn for work, wages would fall, and the result would be an intolerable struggle for employment. (Knowles, *Industrial and Commercial Revolutions*.)

Fortunately for Great Britain, there were humanitarians who were not prepared to bow their knee before the New Political Economy, and who, acting on different principles, succeeded in passing legislation to protect the workers, though only after long and bitter struggles and in the teeth of prophecies of disaster from the economists. This is not the place to relate the history of the condition of the workers in the nineteenth century, or of the gradual progress of reform by legislation. That has been done over and over again, and can be found in any economic history of the period. Long hours of labor in factories and mines for men, women and children, at grossly insufficient wages and under conditions fatal alike to body and to spiritual health; the peasantry turned into an urban proletariat and the yeomanry destroyed; the population concentrating in towns which sprang up to house the factory-hands without any regulation by the Government or local authorities, and in which typhus and small-pox were chronic and cholera frequently broke out; graveyards so overcrowded that the dead poisoned the living; no system of sanitation, no water-supply laid on to houses; such were some of the results of the principles of *laissez-faire* when adopted in practice, and they were of themselves sufficient to refute those principles. But it was a refutation which cost a terrible price in terms of human degradation, suffering, misery, disease, death and sin. Who that considers the story of economic theory and industrial and political practice in Great Britain last century would venture to say that principles are of no importance in practice?

After brooding over the reports of the Royal Commissions which have recorded the history of early nineteenth century England for future generations to wonder at, Karl Marx, already a revolutionary and a Communist, put forward in 1867 an interpretation of economic life and the laws that were supposed to rule it which, though superficially the very opposite of that put forward by the classical economists, was yet curiously like it in its fundamental assumptions. Marx was not a social reformer, and his followers scorn the term. To call an opponent a "reformist" is for them a term of abuse. They are root-and-branch revolutionaries. In any State based on capitalism, they hold, the worker is necessarily exploited. His employer

lives on the profit made by extracting surplus-value from the working-class. In pure Marxist theory, this is not a sign of any particular depravity on the part of the employing class, the capitalists. It is a necessary and inevitable result of capitalism. All history, including, of course, economic history, is governed by natural laws which determine the course of human actions and institutions as absolutely as the laws which regulate the course of the planets or the seasons. They are not the work of an omnipotent Creator, for Marxism is atheistic; nevertheless, these laws are working for a better state of things. By a necessary evolution, the class-State (dominated by the bourgeois, as Marx holds) and the capitalist system, in which he maintains the bourgeois exploits the proletariat, will pass away, and Communism will reign in their stead, when there will be no private property and no government. Evolution is perhaps not quite the correct word, for it seems to imply a peaceful course of events, whereas progress for Marx takes place through a struggle between classes, between the exploited and the exploiters. "All history," he says, "is a record of class struggles." The outstanding event of this struggle to which he looks forward is the seizing of political power by the proletariat, who will set up a Dictatorship of the Proletariat and nationalize the land and other means of production, banking and transport, and establish "industrial armies, especially for agriculture." The result of the Dictatorship of the Proletariat will be the destruction of all class-distinctions, and then (to use Lenin's phrase) the State will "wither away" and the final stage of Communism will be achieved when material goods are produced in such abundance that everyone will be able to draw from national warehouses whatever he requires, irrespective of the amount of work he has performed, and everyone will be happy.

It is not my purpose to examine Marxist Socialism at any length here, but rather to see how it influences practice. Nevertheless, it is worth while pointing out that one of the most accredited spokesmen of the system frankly admits that the Communist millennium may be nothing more than a myth. After telling us that the State will wither away when people voluntarily work to the best of their ability without a view to reward and their labor is so productive that every citizen can take what he needs from the common stock,

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Lenin writes: "It has never entered the head of any Socialist to promise that the highest phase of Communism will actually arrive," though "the great Socialists" anticipate that it will. Until it does arrive, he tells us, the Socialists demand the strictest control by society and by the State of the quantity of labor and the quantity of consumption. (*Lenin, The State and Revolution.*)

The classical economists were not anti-religious in their writings. Rather they were unreligious. They left religion and the spiritual side of life out of account concentrating their attention on a fictitious "economic man," moved only by the motive of economic self-interest. The psychological mistake of this view has often been pointed out, but sufficient insistence has not been laid on the fact that the Physiocrats, the first defenders of *laissez-faire*, adopted the skeptical attitude of Voltaire towards religion, and that the materialistic trend of their system is to be accounted for in great measure by the materialism of their philosophy. On this point Marx and Marxism are in full agreement with them. In an oft-quoted phrase, Marx wrote, "Religion is the opium of the people," and the official handbook to Communism tells us that

it is the task of the Communist party to make this truth comprehensible to the widest possible circle of the laboring masses. . . . Religion and Communism are incompatible, both theoretically and practically. . . . One who, while calling himself a Communist, continues to cling to his religious faith . . . ceases thereby to be a Communist. (*The A.B.C. of Communism*, published by the British Communist Party.)

The materialistic outlook on life implicit in the theories of the classical economists is explicit in Marxism. But the resemblance between the political economy which was used to justify the abuses of early capitalism and that which is behind the revolutionary Socialist movement is even more striking when we consider the ideas of *laissez-faire* individualism and those of Marxist Socialism about "economic laws." The great century of natural science was justified in its children. As we have seen, the Physiocrats and the classical economists maintained that to attempt to interfere with the natural laws which govern men in their economic relations was positively harmful. Leave natural laws to operate in their own way, and they would lead mankind to

prosperity. Marx had an equally strong faith in natural laws, and his philosophy of social progress (the Materialist Conception of History) is based on the opinion that society evolves according to laws which no man can change. A modern Bolshevik who has written an entire book on *Historical Materialism*, Bukharin, writes: "Society and its evolution are as much subject to natural law as is everything else in the universe": and quite consistently with this opinion he maintains that the human will is not free. The line of this necessary evolution from the eighteenth century onwards is, according to Marx, from capitalism through Socialism to complete Communism, and the driving force behind the evolution is the class-struggle. Both in their materialistic outlook and in their faith in "economic laws" Marx and the classical economists are not far apart as one might have expected from the fact that he is a Socialist and that they are individualists. Nor do they differ very much in their attitude to the mass of the workers, in spite of the Marxist programme of the Dictatorship of the Proletariat. The ideal of the economists was really a well-disciplined hard-working body of people, at the orders of their capitalist employers, asking for no voice in the control of production and its conditions or in the government of the country. The ideal of Marxism is similarly a well-disciplined hard-working body of people, at the orders of the politbureau, content to leave the administration of industry and politics to the leaders of the Comintern.

Let us now see how the principles of Marxism have affected social and economic practice. It was, in the first place, the revolutionary principles laid down by Marx and developed by Lenin which enabled the Bolsheviks to establish themselves on the ruins of nascent democracy in Russia, after the downfall of Tsardom. It is that affective application of principles to practice that has given them the power to continue to apply their principles to that unhappy country. It is unnecessary for me to detail their campaign against God and religion, but that campaign is a logical application of the principle that "religion is the opium of the people"; or to describe the pitiful condition of the outcast Russian children: a logical outcome of the Marxist hatred of the family. Applying the doctrine of the class-war, they have done their best to stamp out the middle class

as well as the rich. Even the peasant with a tiny stock of two or three head of cattle has been persecuted. Class hatred has been fostered in other countries so far as Bolshevik funds permitted. The conscription of labor in the timber and grain industries has been unhesitatingly enforced by the Government, and quite recently (October, 1930) instructions have been issued to the labor exchanges "to take all necessary measures in order that the unemployed be immediately sent to work, and of these the first to be sent are persons entitled to draw unemployment benefit." Private trading, which Lenin permitted by his New Economic Policy, is once again being attacked under the more intransigent Stalin. Who can deny that the stern principles of Marx are being applied as thoroughly as possible? One might expect to see some signs, if Marx were right, that the welfare of the Russian people is advancing, that they are heartily cooperating with their Communist saviors; but on the contrary one finds in official documents of the U.S.S.R. continual complaints against the workers, against those in charge of State enterprises, against State departments, and even against some of the leaders of the Communist Party in Russia.

On the last point, no more need be said than to recall how often we read that such-and-such a leader has fallen into some sort of economic heresy, that he has been expelled from the Party, that he has recanted, that he has relapsed, and so on. What the meaning of all these maneuvers may be it is hard to say, but it is plain that even at the seat of government all are not a happy band of brothers. The People's Commissariat of Labor, we were told by the Russian Government last October, together with its local organizations, "has taken up a purely bureaucratic stand on economic questions," and "have been slack in their work, and individual directors have glossed over the existing defects of the organization." Official complaints are made that there has been a falling-off in the quality of goods produced by the State industries, and that this does great harm to the workers and peasants as consumers. Further complaints are made against workers who are malingerers, to whom the careless Commissariat of Labor has paid out tens of millions of roubles. (See the Blue Book, "Russia No. 1 (1931)," Cmd. 3775.)

Now does not this show that the principles of Marxism are unsound? Destroy class-distinctions by destroying private property; to effect this set up, by revolution, a Dictatorship of the Proletariat; gradually the State will wither away as the necessity for its control ceases, on the supposition that all will labor to the best of their ability. Set the mind of man free from the bonds of belief in God and of hope of a hereafter; take away his opium from him, and he will come to new and vigorous life, centering his attention and his desires on this world and its satisfactions. Such, in summary, was the advice of Marx, based on his principles of atheism and materialism. And everything we can learn about Russia shows that under the Dictatorship of the Proletariat the mass of men remains at least as selfish and lazy as under capitalism; and that the position of the worker in Russia is at the very least no better than in countries which have refused to accept the Marxist creed. It is perhaps worth noticing that Centrososyus (the Russian co-operative association) has lately been complaining that it is impossible to send by ordinary train certain goods of which there is a scarcity, because the entire consignment disappeared; it is quite usual for 70 per cent of other goods to be missing. Evidently there are some in Russia who are under the impression that the second or perfect phase of Communism has arrived, and who are already putting into practice the principle, "To each according to his needs."

We have considered, then, two opposed sets of principles, those of the individualist economists of last century and those of the revolutionary Socialist Marx, and we have seen that they have had a powerful effect on practice, by no means to the advantage of the workers. I purposely refrain from discussing the effects of the partial applications of Marxism on the Continent after the War. Dr. Shadwell has done this in his *The Breakdown of Socialism*, and whether one agrees or disagrees with his own economic and political views, one must admit that the facts he enumerates make it clear that Marxism is unworkable.

Rather than enter upon a discussion which might easily assume the aspect of party politics, I prefer to consider present principles and practice in Great Britain, in order to see what relation there is between them. Mr. Keynes, one of our most eminent economists, made a significant ad-

mission the other day in a lecture on the trade slump at the Royal Institution. Lately, he said, there had been a lull in the progress of economic theory, and it was now in the state when we were all confused. That certainly confirms the impression of the ordinary man who reads the conflicting statements of economists published in the newspapers. *Laissez-faire* is dethroned, and Mr. Keynes himself has sung its dirge in his book, *The End of Laissez-faire*. The trouble is that our economists do not know what to put in its place. When called in by society as expert advisers, they are of course confronted by a much more complicated case than that with which the classical economists had to deal. As a lesson in the dangers of accepting false principles, it is worth noticing how much of our social and economic difficulties today are legacies of the now discredited theories of the past. It is not easy to change a widely-held opinion, especially when that opinion is supported by experts; but it is far less easy to change the concrete conditions which have arisen out of the general adoption of that theory.

It has been made a matter of reproach to the employers in the cotton trade that they seem unable to come to any agreement among themselves which would lead to the rationalization of their industry, and it is certainly true that it has proved uncommonly difficult to persuade them to adopt a common industrial policy. The cotton employer, we are told, is essentially individualist. But in adopting this attitude he is simply following the precepts of the *laissez-faire* school. It is no mere coincidence that this school was called the Manchester school, and that Manchester is one of the great cotton centers.

The coal trade, too, has shown the same characteristic, and an Act of Parliament has proved necessary to secure some sort of coordination in it. Once again we see the *laissez-faire* mentality persisting. Indeed we hear it vehemently expressed in demands that the Government should leave the coal trade alone, a cry that is repeated by many other employers as though non-intervention by the State with industry was a first principle which no sensible man could question. I am not concerned to discuss whether the Government's intervention has always been wise, but only to point out that the protests against it are based on the

assumption that "Hands off industry" is an obvious maxim of sound political science.

When Great Britain took the plunge last century and decided to turn herself into an industrialized country, the growth of factories was accompanied, as we have seen, by a growth of nightmare towns. Those towns are still to a large extent, blots not only on the landscape but on the social conscience of the community. Had the public authorities from the first done their duty and supervised the construction of the new towns, we should not have now the anguishing problem of the slums to solve. But at the time economic principles tied their hands, and the present generation is still paying the penalty.

It is hardly too much to say that British agriculture was deliberately ruined by the economic theories of last century. . . .

The maxim, "Produce as much as ever you can," was common to economists from the days of the Physiocrats, and it was coupled with the firmly held opinion that general over-production was impossible. Underlying this was the assumption that the product would always find a sale at the market price. For the English manufacturer of the nineteenth century that was an easy assumption to make, for he had many customers demanding his goods from foreign countries. The home market did not seem to him important so long as he could export his textiles, his coal, his machinery and ships. It appeared to him that the larger the wages he paid his workers the less his profit, and he resented the action of the trade unions in struggling for an improvement in the workers' standard of life. He was too short-sighted to realize—or perhaps too indifferent to the future of his country to care, if he had realized—that the time was rapidly coming when his foreign customers would supply themselves with the goods they needed, and that by keeping down the wages of his workers he was strangling a potential market. The enormous extent to which property in Great Britain is concentrated in a few hands at the present time is largely a result of the fact that a family living wage was denied to the British workers so far as they were not powerful enough to insist upon it. Today that wealth is perforce being redistributed through the "social services" of insurance against sickness and unemployment,

of old-age pensions and the Poor Law; a method necessary to save the poor from starvation but open to a vast number of abuses to which the healthy method of paying fair wages is not open.

Finally, as a last and most serious legacy of the bad old days of *laissez-faire* there is the all-pervading hostility and distrust between employers and employed. To account for this it is necessary to remember not merely the abuses of early capitalism but also the importance laid by the system of "natural liberty" on the motive of self-interest. Give that free play, and economic law, or the Hidden Hand of Providence, would secure that the greatest happiness of the greatest number would follow; such was the theory. But men are naturally distrustful of those who are openly seeking their own interest; and without any urging on the part of economists they will do all in their power to protect themselves against those they distrust. There is a psychological factor involved which the economists overlooked as completely as they overlooked the moral factor. A purely competitive atmosphere breeds necessarily distrust and suspicion, which the opium of "economic necessity" does nothing to soothe. The seeds of the so-called general strike of 1926 were sown by the Physiocrats.

*Laissez-faire* began to be doubted from about the eighties of last century, and officially it is discredited today. But it lingers still in the minds of some who have not learned the lessons of the past, and we have the complacent individualist still with us. Nevertheless the logic of events has forced another policy on the country as a whole, a policy which on many points confirms the soundness of Catholic social doctrine in its unceasing protest against the system of "natural liberty." The danger today is that for want of any clear principles the pendulum may swing too far, that in reaction from the mistakes of the past we may fall into new errors.

The economic and political situation today is very different from that of the early nineteenth century. The need for a revival of British agriculture is widely recognized, and the Government of the moment is at present pressing forward two important Agricultural Bills, on the merits of which opinion is sharply divided. An equally urgent need is that of more and better housing for the workers, and the

State has interfered with varying success in order to supply the need. Out of the earlier inefficient Factory Acts there has grown up a great system of governmental regulation of the conditions in mines and factories. The national scandal of sweating, which resulted necessarily from the policy of leaving "economic laws" to regulate wages, has been countered by the Trade Boards Acts. Attempts have been made to fix a maximum wage in agriculture, though any attempt to discuss the possibility of a living wage in industry as a whole is still attacked as a Socialistic proposal. Competition between those who have money to lend and those who wish to borrow it has been curtailed by Moneylenders Acts; and the gross inequalities of fortune which the industrial and agricultural revolutions of last century produced are being attacked by various "social insurances." No longer are trade unions forbidden by law, as they used to be; and though the repeal of the Combination Acts may no doubt be attributed to the *laissez-faire* spirit, it is to be remembered that Francis Place himself, the protagonist of repeal, was no believer in trade unions. He thought that with the repeal of the Combination Acts they would die out. What powers are to be conceded to trade unions is a question which has occupied the attention of Parliament, and will, it is to be feared, be eventually settled by considerations of party interests rather than of principle. But that trade unions have an important function to fulfill in the social system is generally admitted, and has been explicitly recognized by the National Health Insurance Acts, by the Whitley scheme for joint industrial councils, and by the conferences between representatives of employers' federations and of the Trades Union Congress, originated by the late Lord Melchett.

The extension of State action on the one hand, and the development of organizations of employers and employed on the other, are a proof that *laissez-faire* has proved unworkable, just as the Russian experiment has shown that Marxism is fundamentally false. Catholic social philosophy rejects both individualism and Socialism, and our experience goes to show that it is based on true principles. It now remains to consider briefly what those principles are.

We may say that Catholic social principles are simply the principles of Christian morality applied to the relations

between men when they deal with one another as fellow-citizens or as employer and employed. Consequently the most fundamental principles of all are those concerning the great spiritual truths and the moral virtues. The economists whom we have been criticizing, like their Marxist opponents, defended a system which was in fact, whatever it may have professed to be, materialistic; no Catholic theory, of course, could be that. It is one thing to put forward material welfare as though it were the most important factor in human life, but it is another to assert that material welfare and its pursuit have their rightful place in the life of a Christian. That place, for the Catholic social philosopher, is in subordination to spiritual welfare; and this means that material welfare is to be sought after only in so far as it does not impede spiritual development. I have expressed it in this way not because I wish to suggest that the pursuit of material welfare is something to be merely tolerated in a Catholic, but because I wish to guard myself from seeming to say that material welfare may be sought only in so far as it advances spiritual development; for in this form my statement would seem to impose on all men a duty of asceticism which Catholic theology reserves for those who have voluntarily chosen it. The virtue of temperance does not limit us to such bodily goods as will satisfy our essential needs; this is asceticism such as the Gospel counsels but does not command. It requires only that we do not seek them to such an extent as to injure our souls. Catholic social philosophy, then, does not ignore temporal welfare as something unworthy of a Christian; it treats it as good, though not the ultimate good, and it is this last clause which in this matter distinguishes our principles from those of materialists. "It must not be supposed that the entire attention of the Church is so fixed upon the spiritual progress of mankind that she neglects their temporal and earthly interests." (*Rerum Novarum*.) Thus we find Pope Leo XIII demanding that the worker should receive at least a wage sufficient to keep him and his family in decent conditions, and that he should not be overworked by his employer, and urging upon legislators the necessity for a wide distribution of ownership of property, especially of the land; and our present Holy Father Pope Pius XI, in his recent encyclicals, insists on the importance of social reconstruction and

the abolition of "proletarianism" as conditions of a fully Christian life.

How is this temporal welfare to be secured? Not by abolishing the right of private property, as Marx desires; nor by leaving economic relations to the free play of competition, as the theory of *laissez-faire* would say; but by the combined action of the Church, the State, and associations of employers and trade unions. I cannot now discuss this action in detail. My point is that *the pressure of hard facts* has taught the world that if social reform is to come at all it must be along these lines.

Without offering any opinion as to whether State action in the past has always been wise, I have shown how it has proved absolutely necessary that State action should be taken. And I have shown how associations of employers and trade unions have gradually asserted their indispensability in our social economy. Even the joint industrial committees set up under the Whitley scheme or independently of it were recommended last century by Pope Leo, and have been again recommended in the last couple of years by the Sacred Congregation of the Council (See *Trade Unions and Employers' Associations*: C.S.G.: 2 d): and now again in the encyclical *Quadragesimo Anno*.

But it may be urged that there are no signs that the assistance of the Church has been found necessary. To this I must reply that its necessity was never clearer than at present, and that the need is felt, though in the confused way which one would expect in a predominantly non-Catholic country. It is clearly recognized by all who have given thought to our social troubles that at their root is mutual distrust and suspicion between the classes, leading to class hostility. That hostility has been made a dogma by the Marxists, as we saw it; it has been deplored as both unchristian and fatal to social progress by the Popes. To remedy this mutual distrust, we are told that there must be "a new spirit in industry." But what is that spirit to be? Obviously a spirit of unselfishness, of considering others and not merely oneself; even of self-sacrifice for the common good. Such a spirit as that can come from one source only, from the teaching and the grace of Our Lord. The classical economists canonized the spirit of self-seeking, and they laid the foundations of the Marxist doctrine of the class-

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war. On such a spirit and such a foundation no society can prosper, for a prosperous society is built up on willing cooperation; and that means unselfishness. No vague platitudes about the brotherhood of man or the beauty of self-sacrifice will change the hearts of men, only too prone to self-seeking. Nothing will do it but one hundred per cent Christianity; and that means Catholicism; and that means the Church.

## Sermon

G. K. CHESTERTON

*Little apology is needed, we hope, for reprinting this eleven-year-old paper from THE CATHOLIC MIND of October 22, 1921. Mr. Chesterton wrote it for the New Witness after his first trip to the United States. It is still pertinent. For it jeers at the theories attacked by Father Watt in the first paper of this issue, and it defends Distributism—a system favored not only by Mr. Chesterton, but also by the Popes.*

I HAD many of these hints of home; I had one when I heard an English voice in the telephone in the Red Indian province of Oklahoma. I had another when I saw the chief pinnacle of Philadelphia.

But the most consoling of all these wandering voices from home came to me in the midst of the sea within sight of the New World, with the Statue of Liberty beginning to loom up on the horizon. From the lips of a young Scotch engineer, of all people in the world, I heard for the first time these immortal words from a London music-hall song:

Father's got the sack from the water-works  
For smoking of his old cherry-briar;  
Father's got the sack from the water-works  
'Cos he might set the water-works on fire.

As I told my friends in America, I think it no part of a patriot to boast. . . .

But that noble stanza about the water-works has other elements of nobility besides nationality. It provides a compact and almost perfect summary of the whole social prob-

lem in industrial countries like England and America. If I wished to set forth systematically the elements of the ethical and economic problem in Pittsburgh or Sheffield, I could not do better than take these few words as a text, and divide them up like the heads of a sermon. Let me note the points in some rough fashion here.

1. *Father.* This word is still in use among the more ignorant and ill-paid of the industrial community; and is the badge of an old convention or unit called the family. A man and woman having vowed to be faithful to each other, the man makes himself responsible for all the children of the woman, and is thus generically called "Father." It must not be supposed that the poet or singer is necessarily one of the children. It may be the wife is called by the same ritual "Mother." Poor English wives say "Father" as poor Irish wives say "Himself," meaning the titular head of the house. The point to seize is that among the ignorant this convention or custom still exists. Father and the family are the foundations of thought; the natural authority still comes natural to the poet; but it is overlaid and thwarted with more artificial authorities; the official, the schoolmaster, the policeman, the employer, and so on. What these forces fighting the family are we shall see, my dear brethren, when we pass to our second heading; which is:

2. *Got the Sack.* This idiom marks a later stage of the history of the language than the comparatively primitive word "Father." It is needless to discuss whether the term comes from Turkey or some other servile society. In America they say that "Father has been fired." But it involves the whole of the unique economic system under which Father has now to live. Though assumed by family tradition to be a master, he can now, by industrial tradition, only be a particular kind of servant; a servant who has not the security of a slave. If he owned his own shop and tools, he could not get the sack. If his master owned him, he could not get the sack. The slave and the gildsman know where they will sleep every night; it was only the proletarian of individualist industrialism who could get the sack, if not in the style of the Bosphorus, at least in the sense of the Embankment. We pass to the third heading.

3. *From the Water-Works.* This detail of Father's life

is very important; for this is the reply to most of the Socialists, as the last section is to so many of the Capitalists. The water-works which employed Father is a very large, official and impersonal institution. Whether it is technically a bureaucratic department or a big business makes little or no change in the feelings of Father in connection with it. The water-works might or might not be nationalized; and it would make no necessary difference to Father being fired, and no difference at all to his being accused of playing with fire. In fact, if the Capitalists are more likely to give him the sack, the Socialists are even more likely to forbid him to smoke. There is no freedom for Father except in some sort of private ownership of things like water and fire. If he owned his own well his water could never be cut off, and while he sits by his own fire his pipe can never be put out. That is the real meaning of property, and the real argument against Socialism; probably the only argument against Socialism.

4. *For Smoking.* Nothing marks this queer intermediate phase of industrialism more strangely than the fact that, while employers still claim the right to sack him like a stranger, they are already beginning to claim the right to supervise him like a son. Economically he can go and starve on the Embankment; but ethically and hygienically he must be controlled and coddled in the nursery. Government repudiates all responsibility for seeing that he gets bread. But it anxiously accepts all responsibility for seeing that he does not get beer. It passes an Insurance act to force him to provide himself with medicine; but it is avowedly indifferent to whether he is able to provide himself with meals. Thus while the sack is inconsistent with the family, the supervision is really inconsistent with the sack. The whole thing is a tangled chain of contradictions. It is true that in the special and sacred text of Scripture we are here considering, the smoking is forbidden on a general and public and not a medicinal and private ground. But it is none the less relevant to remember that, as his masters have already proved that alcohol is a poison, they may soon prove that nicotine is a poison. And it is most significant of all that this sort of danger is even greater in what is called the new democracy of America than in what is called the old oligarchy of England. When I was in

America, people were already "defending" tobacco. People who defend tobacco are on the road to proving that daylight is defensible, or that it is not really sinful to sneeze. In other words, they are quietly going mad.

5. *Of His Old Cherry-Briar.* Here we have the intermediate and anomalous position of the institution of property. The sentiment still exists, even among the poor, or perhaps especially among the poor. But it is attached to toys rather than tools; to the minor products rather than to the means of production. But something of the sanity of ownership is still to be observed; for instance, the element of custom and continuity. It was an *old* cherry-briar; systematically smoked by Father in spite of all wiles and temptations to Woodbines and gaspers; an old companion possibly connected with various romantic or diverting events in Father's life. It is perhaps a relic as well as a trinket. But because it is not a true tool, because it gives the man no grip on the creative energies of society, it is, with all the rest of his self-respect, at the mercy of the thing called the sack. When he gets the sack from the water-works, it is only too probable that he will have to pawn his old cherry-briar.

6. *'Cos He Might Set the Water-Works on Fire.* And that single line, like the lovely single lines of the great poets, is so full, so final, so perfect a picture of all the laws we pass and all the reasons we give for them, so exact an analysis of the logic of all our precautions and preventions at the present time, that the pen falls even from the hands of the commentator; and the masterpiece is left to speak for itself.